

# Financial Assistance Award

DENALI COMMISSION 510 L Street, Suite 410 Anchorage, Alaska 99501 (907) 271-1414 (phone) (907) 271-1415 (fax) www.denali.gov

Award Number	01030-00	
Award Title	Alaska Marketplace Year Three	
Performance Period	August 1, 2008 through September 30, 2009	

Authority 112 Stat 1854

**CFDA Number** 

90.100

**Recipient Organization & Address** 

Alaska Federation of Natives 1577 C Street Suite 300 Anchorage, AK 99501

**Denali Commission Finance Officer Certification** 

Jennifer Price 09/08/2008

**Phone:** (907) 274-3611

**Recipient DUNS** # 010210524

TIN # 920034863

# **Cost Share Distribution Table**

Accounting Code	New Funding		Prior Period Funding		Total	
Accounting Code	Denali Commission	Other Contributors	Denali Commission	Other Contributors	Total	
95670000AL	\$350,000.00		\$0.00		\$350,000.00	
	\$0.00		\$0.00		\$0.00	
	\$0.00		\$0.00		\$0.00	
	\$0.00		\$0.00		\$0.00	
	\$0.00		\$0.00		\$0.00	
		\$0.00		\$0.00	\$0.00	
		\$0.00		\$0.00	\$0.00	
		\$0.00		\$0.00	\$0.00	
		\$0.00		\$0.00	\$0.00	
		\$0.00		\$0.00	\$0.00	
Total	\$350,000.00	\$0.00	\$0.00	\$0.00	\$350,000.00	

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission constitutes an obligation of federal funding.

The Denali Commission (Commission) is providing a total of \$350,000 of Economic Development program funds to the Alaska Federation of Natives (AFN) for the Alaska Marketplace year three initiatives. The Alaska Marketplace program is a business idea competition aimed at stimulating private sector entrepreneurship in rural Alaska. This program is for all Alaskans. AFN shall continue to ensure that all eligible Alaskans receive equivalent levels of encouragement and support to participate in the program. The 2008 theme is: "Innovations for Thriving Communities".

Signature of Authorized Official - Denali Commission	Typed Name and Title	Date
Electronically Signed	George Cannelos Federal Co-Chair	09/05/2008

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# AWARD CONDITIONS

# 1. Scope of Work

The Denali Commission (Commission) is providing a total of \$350,000 of Economic Development program funds to the Alaska Federation of Natives (AFN) for the Alaska Marketplace year three initiatives. The Alaska Marketplace program is a business idea competition aimed at stimulating private sector entrepreneurship in rural Alaska. This program is for all Alaskans. AFN shall continue to ensure that all eligible Alaskans receive equivalent levels of encouragement and support to participate in the program.

The 2008 theme is: "Innovations for Thriving Communities". In addition, five sub-themes have been identified as follows:

- 1. Affordable Energy: Innovative ways to implement affordable, renewable and alternative energy sources.
- 2. Practical Use of New Technology: Practical use of new technology to create village enterprises, such as use of cell phones or digital media.
- 3. Innovative Ideas to Reduce the Cost of Living: Such as cooperatives or various sharing arrangements that have very practical results and can be replicated in other communities and possibly scaled up.
- 4. Investing in People: Innovative ideas to encourage life-long learning and enable people to thrive in a rapidly changing world, full of hope and optimism.
- 5. Rural Housing of the Future: Incorporating energy efficiencies and new cost-effective designs in innovative ways which celebrate traditional cultures and promotes community pride.

Alaska Marketplace seeks to revitalize the economies by fostering innovation and business creation, providing job opportunities using local economic resources, generating revenue and diversifying strategies of economic development.

# National Recognition

The Alaska Marketplace recently received a national award from the National Association of Development Organizations, the 2008 Innovation Award.

New Focus Added to Year Three

A new category for applicants is the category "Not-for-Profit Idea" Listed is the criteria for the two categories:

- o Business Idea Economic Stimulation/Job Creation Your Innovative Idea must contribute towards economic stimulation and job creation in the targeted community.
- o Not-For-Profit Idea Your Innovative Not-For-Profit Idea must show how your community or social structure will benefit by the proposed innovation and how the idea can be replicated and/or applied to other communities.

#### Timeline

The timeline for the Alaska Marketplace year three initiatives will be as follows;

- August 1, 2008 Call for innovative ideas announcement
- September 1, 2008 Innovative idea application deadline

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- September 8, 2008 Finalists announced
- October 1, 2008 Finalists implementation plan deadline
- October 22, 2008 Competition event
- October 23, 2008 Winner's announced at the AFN Convention

# History of the program

The inaugural Alaska Marketplace competition in 2006 was a huge success. Alaska Marketplace received more than 170 concept papers from across Alaska. The 156 concept papers that met eligibility requirements fit into six categories: Energy & Technology, Arts & Crafts, Environment & Land Use, Heritage, Tourism, and General.

Forty-three finalists competed, to share in an award pool of \$500,000. Twenty-two competition winners were from diverse communities such as the remote villages of Savoonga on St. Lawrence Island, the regional hubs of Nome, Bethel, and Dillingham, and smaller towns like Cordova, received awards ranging from \$8,000 to \$50,000, while the remaining finalists received a \$1,000 award.

Building on the phenomenal success from 2006, the Alaska Marketplace launched its second year competition in May 2007. Over 300 concept papers were received from a high caliber of Entrepreneurs. As in the first year, assessors narrowed the finalists to sixty-one who in turn completed a business plan and budget to compete for \$700,000 in award funds at the 2007 AFN Annual Convention.

# Programmatic Budget

# Personnel \$86,000

The Alaska Marketplace will employ staff to for the planning, design, and implementation for the third year Alaska Marketplace program.

- Project Manager (1 FTE Rose Ellis)
- Administrative Support (1 FTE Shirley Moto)

# Staff Travel \$15,000

Travel to participate in regional and statewide meetings, forums upon request and as appropriate to inform and encourage individuals and organizations of the Marketplace year three initiative. Travel costs, including transportation, lodging, and per diem rates shall be paid by the Commission on a reimbursement basis in keeping with the Federal Travel Regulations (FTRs). AFN shall provide the Commission's Program Manager with the following documentation for travel reimbursement requests: a copy of the staff's boarding pass or electronic ticket; copy of lodging costs, and any other related travel receipts greater than \$75.

# Finalist Travel \$50,000

Travel for the finalists to attend the award competition to display and showcase each proposed business or idea to the judges, AFN convention delegates and general public from October 21-23, 2008 to coincide with the AFN annual convention. This amount will assist in covering transportation, lodging and per diem for approximately, 50-60 finalists. Travel costs, including transportation, lodging, and per diem rates shall be paid by the Commission on a reimbursement basis in keeping with the Federal Travel Regulations (FTRs). AFN shall provide the Commission's Program Manager with the following documentation for travel reimbursement requests: a list, including names and contact information for all finalists traveling on Commission funds, a copy of the finalist's boarding pass or electronic ticket, copy of lodging costs, and any other related travel receipts greater than \$75.

# Material Development and Printing \$60,000

• The development, design and printing of materials for the competition.

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- Design and printing for 1,000 printed innovative idea applications
- Design and printing 1,000 8 ½ x 11 inch poster
- Redesign of the downloadable Microsoft Word idea application
- Redesign, update and print a 2008 Alaska Marketplace brochure
- Design and printing of the competition event guide.

Estimated allowable expenses (for materials development and printing) of up to:

- Material Design = \$10,000 Design of application, poster, brochure, event guide.
- Printing Expense = \$20,000 Printing of brochure, application, poster, event guide.
- Advertisement = \$20,000 Ads in Anchorage Daily News, Fairbanks Daily News Miner, all six of Alaska newspapers.
- Develop 30 second PSA/Ad for television = \$10,000.

Any contract activities that occur related item in the "Material Development & Printing" portion of the budget must be procured in accordance with the Federal Acquisition Regulation (FAR), which shall include fair and open competition. AFN shall document its selection and award process when procuring services or issuing contracts related to the budget item. AFN shall comply with all applicable federal procurement and competitive requirements, as set forth in parts 1.3 and 1.5 of the AFN purchasing and procurement policy.

# Technology and Communications \$60,000

Computer management, web portal, template development for email listserv and design of internet based outreach for the program.

- Updating the Alaska Marketplace web-site include updated information for the 2008 Competition (application, FAQ's, criteria, eligibility requirements), update when finalists are announced
- Setting up and management of the web-based (on-line) idea application
- Designing and implementation of the on-line business plan and/or implementation plan required for the finalists.
- Generating 3-4 e-newsletters to be sent to multiple contact list serves
- Produce 5-7 minute Alaska Marketplace video using footage from Year one and two Programs to be shown at AFN Convention and other speaking engagements to showcase and promote the initiative.
- Secure professional video services to record the competition event

Estimated allowable expenses (for technology and communications) of up to:

- Web-site design, frequent update and maintenance = \$20,000.
- Development and setting up the on-line Application = \$10,500.
- E-Newsletter = \$2.500.
- Video production (5-7 minute video to be shown at the 2008 Competition and 2008 AFN Convention from year 1 & 2) = \$12,000.
- Professional video services to record and produce follow up footage from competition event = \$15,000.

Any contract activities that occur related to the "Technology & Communications" portion of the budget must be procured in accordance with the Federal Acquisition Regulation (FAR), which shall include fair and open competition. AFN shall comply with all applicable federal procurement and competitive requirements, as set forth in parts 1.3 and 1.5 of the AFN purchasing and procurement policy.

#### Office expense \$14,000

Telephone, postage, computer and software upgrades. A mass mail out to AFNs membership and tribal contacts list.

Statewide/Rural outreach and partnership development \$25,000

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Information dissemination, including advertising to reach individuals and entities throughout the State.

• Advertising in statewide newspapers, television via PSA's

# Best practice report \$40,000

Produce and print a comprehensive "Best Practices Report" from the Alaska Marketplace experience including highlights of the three years of the competition. Include input from technical assistance providers in identifying strengths and gaps. Identify and document the success of the initiative from the aspect of the partners, applicants, finalists and award winners.

Any contract activities that occur related to the "Best Practice Report" portion of the budget must be procured in accordance with the Federal Acquisition Regulation (FAR), which shall include fair and open competition. AFN shall comply with all applicable federal procurement and competitive requirements, as set forth in parts 1.3 and 1.5 of the AFN purchasing and procurement policy.

Programmatic Phase Delivery

# Phase One

The business idea application is the first step in applying to the competition. The application will be available on-line in addition to hard copy. Each business idea applicant was required to expand and address four competition criteria for the proposed business venture:

- 1. Exemplify traditional values of Alaska culture;
- 2. Generate revenue and create jobs;
- 3. Innovation: offers different approaches to developing businesses;
- 4. Sustainability and profitability -demonstrate that it can continue beyond the award;

Assessor process following the in-take and review for eligibility criteria, a team of assessors made up of technical experts will participate in the review and scoring of the business idea applications. The concept papers are ranked by the assessors according to scores based on sustainability/profitability, innovation, job creation and cultural heritage.

The assessors will select the finalists to advance to phase two of the Alaska Marketplace.

#### Phase Two

In phase two, the finalists will develop their intensive business plans and budgets in the following areas: business objectives, partner information, business management and staffing, incorporates cultural heritage, innovation, sustainability and profitability, marketing, project action plan and financial analysis.

The Alaska Marketplace team will be available to answer business plan and general competition questions, provide resources and competition updates. Referral to coaches and further technical assistance will be available to the finalists upon request.

Finalists need to prepare and submit their business plan and budgets. Finalists will be provided travel stipends to Anchorage to "pitch" their business ideas to the judges. The judges will review and score the business plans.

Competition event the judges will award from a pool of monies provided by match partners to the finalists ranging in increments from \$15,000 to \$60,000. Award recipients will be announced during the main 2008 AFN annual convention in Anchorage, Alaska.

AFN convention delegates and those visiting the event may cast ballots for three "People's Choice

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Awards": best display, most innovative, and exemplify cultural and traditional values.

#### Phase Three

A major emphasis for the Alaska Marketplace staff is on the evaluation, assessment and identifying individual coaches/mentors for award recipients.

# Tracking & Monitoring

Each award recipient will be required to submit a quarterly progress report for one year following the receipt of an award from the Alaska Marketplace in a format developed by AFN and approved by the Commission Program Manager. The winning participants will be provided with standard forms to monitor the success and challenges during the implementation of the business idea. Each applicant will be required to agree to provide no less than 4 quarterly reports to the program manager at AFN's offices.

AFN will summarize the outcomes, accomplishments, and challenges discovered in the participant progress reports, and report to the Commission on a quarterly basis. This will assist the Commission in its progress and monitoring efforts.

Questions may include: how did the Alaska Marketplace Award enhance your efforts in rural Alaska? What are the direct results thus far and progress made, with the assistance of the Alaska Marketplace, in building a sustainable Alaskan community? The Commission is very interested in what the impacts are to rural Alaska by the Alaska Marketplace initiative.

# Partnerships

Partnerships a major strength of the Alaska Marketplace is with its formal and informal partnerships and investing partners. The Alaska Marketplace has brought a broad spectrum of partners from across the state; civil society groups, social entrepreneurs, government agencies, academia, and the private sector. Over the past two years efforts have focused to strengthen expand investing partnerships resulting in 16 different funding agreements; and has established over 40 in-kind partnerships. The Alaska Marketplace intends to continue to build on these strengths for the 2008 year three initiatives.

# Match Funding

In addition to the Award from the Commission, other "Investing Partners" during prior years have been: BP Alaska, ConocoPhillips Alaska, Rasmuson Foundation, Telecommunications Development Fund, Chugach Alaska Corporation, Doyon Limited, Alyeska Pipeline Service Company, National Cooperative Bank, Bristol Bay Native Corporation, Shell Exploration & Production, Wells Fargo, NANA, Alaska Growth Capital and the Alaska Manufacturing Extension Partnership. Efforts are continuing to establish both formal and informal partnerships and collaborations for this upcoming third year of the Alaska Marketplace.

In alignment with the 2008 theme, the following organizations have been identified as probable partners:

- o University of Alaska, Alaska Native Science & Engineering Program
- o U.S. Department of Energy
- o U.S. Department of Interior, Bureau of Indian Affairs Economic and Energy
- o Cold Climate Housing
- o Community Development Quota Programs

Milestones (also see 2. Milestones)

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The following milestones are identified as the major steps to be completed as part of the project. Planned dates for the first milestone are included here. As part of each progress report, recipients shall update the progress toward meeting these milestones.

- Rollout / August 2008
- Initial judging of business ideas / September 8, 2008
- Secondary judging of round two applicants / October 1, 2008
- Winners selected at the annual AFN Convention / October 22, 2008
- Publication materials produced to recap 2008 Alaska Marketplace by end of year.
- Support to 2008 business idea winners will be ongoing.

All Commission funding is intended for use for the scope of work identified in the Award document only. Any balance of funds remaining after the full scope of work has been completed will be returned to the Commission.

#### 2. Milestones

The following milestones are identified as the major steps to be completed as part of the project. "Planned" dates for the first milestone are included here. As part of each progress report, recipients shall update the progress toward meeting these milestones (see section 7, Reporting).

Milestone	Planned Start Date	Planned End Date	Actual Start Date	Actual End Date	Units	Total Cost at Completion
In Progress	08/01/2008	09/30/2009	mm/dd/yyyy	mm/dd/yyyy	nn	\$
Project Closeout	10/01/2009	12/31/2009	mm/dd/yyyy	mm/dd/yyyy	nn	\$

#### 3. Award Performance Period

The Award performance period is August 1, 2008 through September 30, 2009. This is the period during which Award recipients can incur obligations or costs against this Award.

# 4. Direct and Indirect Costs

The cost principles of OMB A-122 are applicable to this Award. No indirect costs are allowable under this award. Please refer to the cost principles regulations for specific details on other allowable charges under this Award.

# 5. Budget and Program Revisions

The Administrative Circular, 2 CFR Part 215, applies to this Award. Please refer to the Administrative Circular for specific details on revisions to this Award. The Administrative Circular requires that AFN will inform the Commission in writing (e-mail, letter, or report) at the earliest possible date of any unanticipated project cost overrun, project schedule delays, or changes in the project scope or changed site conditions.

# 6. Payments

Payments under this Award will be made by electronic transfer in response to a "Request for Advance or Reimbursement", Standard Form 270 (SF-270) submitted by the AFN Requests for reimbursements may be made as needed or at the end of each quarter but should be submitted no later than 30 days after

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the federal quarter. The SF-270 must be submitted to the Commission via fax, e-mail (<u>finance@denali.gov</u>) or mail in order for payment to be processed. The form is available on the OMB website: <a href="http://www.whitehouse.gov/OMB/grants/grants\_forms.html">http://www.whitehouse.gov/OMB/grants/grants\_forms.html</a>. Payments shall be made in accordance with 2 CFR Part 215. Please contact the Commission's Finance Specialist at (907) 271-1414 for further information about submitting this form. No interest will be accrued on these funds.

### 7. Reporting

Three forms of project reporting are required under this Award, listed below. AFN shall submit reports using the Commission's on-line Project Database System, available at <a href="http://www.denali.gov/">http://www.denali.gov/</a>. If there are technical limitations which may prevent the recipient from meeting this requirement, please contact the Program Manager listed in this agreement.

- a. Progress Reports shall be submitted on a quarterly basis. The first reporting period is August 1st, 2008 to September 30th, 2008, and quarterly thereafter. Reports are due within 30 days of the end of the reporting period. Progress reports shall include the following:
- i. Total project funding, including both Commission funding and other project funding sources.
- ii. The total project expenditures for the project as of the end of the reporting period, including both Commission and Other funding sources.
- iii. Updated schedule and milestone information as identified in the Scope of Work
- iv. Narrative summary of the project status and accomplishments to date, and address the following questions: is the project on schedule, is the project on budget, and what actions are planned to address any project problems.
- v. For minor repair and renovation projects or other non-construction projects, pictures should be provided of before and after, or photos that are representative of the funded activity, to the extent possible. Photos shall be provided in a digital format as part of the on-line report. A short description of the activity and names of those in the photos shall also be provided.
- b. Federal Single Audits shall be submitted annually, when required. In accordance with OMB Circular A-133, which requires [subpart 200] "Non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part [subpart 205]. The determination of when an award is expended should be based on when the activity related to the award occurs."

Recipients shall also submit single audits to the Federal Clearinghouse as designated by OMB. Information can be found on the following web-site: <a href="http://harvester.census.gov/sac/">http://harvester.census.gov/sac/</a>

c. In addition, the AFN shall meet twice annually in person with Commission staff to report lessons learned on projects.

# 8. Project/Award Close-Out

The project close-out report shall be completed within 90 days of the end of the Award performance period or within 90 days of the completion of the project, whichever is earlier. Recipients must also draw down any remaining funds for expenditures incurred under this award during this 90-day period.

The project close-out report shall be submitted on-line through the Commission's on-line Project Database System, available at <a href="http://www.denali.gov/">http://www.denali.gov/</a>. The project close out will require the recipient to

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submit the following information:

- a. Final data for each item listed in paragraph 7(a) "Progress Reports" Final project expenditures itemized by the following categories: planning & design; materials & equipment; freight; labor; project administration/overhead and other expenses.
- b. Acknowledgement of support: For all non-construction projects, the Award recipient shall include an acknowledgement of the Government's support for the project(s) developed under this Award. The format for acknowledgement of the Government's support for non-construction awards will vary with each award and must be agreed upon between the Award recipient and the Commission Project Manager. Costs associated with this requirement shall be paid out of the project funding received by the Award recipient from the Commission.

# 9. Public Policy Laws and Assurances

Award Recipients are required to comply with the public policy laws and assurances on Standard Form SF 424b (non-construction projects). Some of the laws are highlighted below for your reference.

To the maximum extent practicable, considering applicable laws, Funding Recipients shall accomplish the project contemplated by the Award using local Alaska firms and labor.

No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

Project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required for each project undertaken with Denali Commission funds.

#### 10. Non-Compliance with Award Conditions

Recipients not in compliance with the terms and conditions of this Financial Assistance Award will be notified by the Commission. The Commission will work with the recipient to identify the steps necessary to bring them back into compliance, and will establish an appropriate time frame for the corrections to be made. If the corrections have not been made by the deadline, the Commission reserves the right to either suspend or unilaterally terminate the Financial Assistance Award for non-performance.

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# 11. Program Manager, Financial Manager & Other Contact Information

Denali Commission	Alaska Federation of Natives		
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